

Message Text

PAGE 01 DACCA 01441 02 OF 02 190329Z
ACTION AID-31

INFO OCT-01 NEA-10 ISO-00 L-03 IGA-02 EB-08 SSO-00
NSCE-00 AGRE-00 /055 W

-----190349Z 001504 /20

O 181137Z MAR 77

FM AMEMBASSY DACCA

TO SECSTATE WASHDC IMMEDIATE 3926

LIMITED OFFICIAL USE SECTION 2 OF 2 DACCA 1441

(1) PROPOSING A REFERENCE IN THE AGREED MINUTES TO THE BDG
FY 78 DOMESTIC PROCUREMENT TARGET WHICH BDG OFFI-
CIALS HAD TOLD LOCAL DONORS MARCH 14 (DACCA 1388) WOULD
QUOTE NOOOBE LESS THAN 500,000 MT END QUOTE (WHICH BDG
OFFICIALS INDICATED THEY WOULD ACCEPT); (2) WITHHOLDING
ANY AGREEMENT ON DELETION OF QUOTE CONSTRAINING OFFTAKES
END QUOTE PHRASE, PENDING AGREEMENT ON ITEM V, SUB-PARA
C2C CONCERNING REDUCING THE RATION SYSTEM; AND (3)
RECOMMENDING HERewith ACCEPTANCE IN THE AGREED MINUTES
OF THE BDG INTERPRETATION OF QUOTE TOTAL DOMESTIC
REQUIREMENTS END QUOTE.

8. THE DISCUSSION OF THESE ISSUES BROUGHT OUT THE FOL-
LOWING:

(A) DOMESTIC PROCUREMENT NOW TOTALS 269,000 MT
THROUGH MARCH 16, WITH 40,000 TONS PROCURED FROM MARCH 1
TO 16. ACCODRING FOOD MINISTRY PROJECTIONS, INCLUDING
MINIMUM PROCRUEMENT OF 50,000 MT OF WHEAT, TOTAL PROCUREMENT
THROUGH JUNE 30 WILL BE IN THE RANGE OF 400,000 TO 425,000 MT.
TO ENCOURAGE PRIVATE TRADERS TO PURCHASE FOODGRAINS, BDG
HAD EARMARKED TAKA 300 MILLIO (\$20 MILLION EQUIVALENT)
FOR LOANS TO TRADERS AGAINS FOODGRAIN STOCKS. TO DATE,
TRADERS HAVE SIGNED LOAN AGREEMENTS FOR 80 MILLION TAKA AND BANKS
HAVE ACTUALLY DISBURSED 50 MILLION TAKA.

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 DACCA 01441 02 OF 02 190329Z

9. ITEM V, SUB-PARA C2A (FOOD POLICY CELL). BDG WISHED
QUOTE COMPLETELY OMIT END QUOTE THIS SUB-PARA, ARGUING INTER
ALIA THAT VARIOUS EXISTING HIGH-LEVEL COMMITTEES AND SENIOR
ECONOMISTS ALREADY PERFORM FUNCTIONS OF SUCH A CELL. WE
AGREED, WITHOUT FORECLOSING OPTION OF RETURNING TO ORIGINAL
LANGUAGE, TO LOOK AT BDG REDRAFT, IDENTIFYING SPECIFIC RELEVANT
FUNCTIONS PERFORMED BY EXISTING BODIES.

10. ITEM V, SUB-PARA C2B (BDG INTERVENTION). BDG ACCEPTED THIS
LANGUAGE AS DRAFTED.

11. ITEM V, SUB-PARA C2C (SUBSTANTIAL REDUCTION IN RATION SYSTEM). BDG NEGOTIATORS SAID THEY CAN ACCEPT THE OBJECTIVE WITHOUT A TIME FRAME. THEY STRESSED BDG CONTINUOUS ACTIVITY OVER PAST FET YEARS IN THIS AREA, BUT NOTED EXTREME POLITICAL SENSITIVITY OF REDUCTIONS IN RATION SYSTEM (E.G. EGYPT, 1977; EAST PAKISTAN, 1954), AND PROPOSED SENTENCE READ QUOTE A GRADUAL REDUCTION OF THE STATUTORY AND MODIFIED RATION SYSTEMS DEPENDING ON THE PREVAILING CIRCUMSTANCES AND CONDITIONS OF THE STATUTORY AND MODIFIED ... ETC. END QUOTE. USG NEGOTIATORS STRESSED CRITICAL IMPORTANCE OF REDUCING DEPENDENCE ON RATION SYSTEM WITH ITS SUBSIDIZED PRICES AS PART OF PROGRAM TOWARD IMPROVED PRICES FOR FARMER, AND ACHIEVEMENT EVENTUAL FOODGRAIN SELF-SUFFICIENCY GOAL. WE ALSO PROPOSED THE INCLUSION OF LANGUAGE CONCERNING REDUCTION OF PRICE SUBSIDY ELEMENT IN RATION SYSTEM. WE ARE PROPOSING: AFTER QUOTE PER CARD HOLDER END QUOTE AND AMOUNTS OF SUBSIDIES END QUOTE. WE STRESSED CRUCIAL NATURE OF THIS SUB-PARA AND SAID WE WOULD HAVE TO GIVE BDG REQUEST CAREFUL THOUGHT BEFORE REPLYING.

12. ITEM V, SUB-PARA C2D (FEEDING DESTITUTE). BDG NEGOTIATORS ACCEPTED THIS SUB-PARA, BUT SUGGESTED IT BE SEPARATE PARA, AS IT LESS DIRECTLY RELATED TO ESTABLISHMENT OF A PERMANENT GRAIN PRICE STABILIZATION PROGRAM THAN THE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 03 DACCA 01441 02 OF 02 190329Z

IMMEDIATELY PRECEEDING SUB-PARAS 2 A, B, AND C. WE RECOMMEND ACCEPTANCE THIS SUGGESTION. THIS WOULD REQUIRE RENUMBER REMAINING PARAGRAPHS.

13. AGREED MINUTES. OUR DRAFT MINUTES WERE ACCEPTED WITH ONE MINOR DELETION AND SEVERAL ADDITIONS, AS REPORTED REFTEL (D). WE MAY EXPECT FURTHER ADDITIONS AT OUR NEXT MEETING SCHEDULED FOR NINE A.M., TUESDAY, MARCH 22. IN PARTICULAR, WE EXPECT BDG TO SUGGEST LANGUAGE CONCERNING PORT CAPACITY TO BE ADDED TO PARA 11.

14. COMMODITY TABLE. BDG SOUGHT ADDITIONAL 200,000 MT WHEAT AND 100,000 MT PARBOILED RICE, AS NOTED IN DRAFT AGREED MINUTES (REFTEL D). WE SAID THAT WE AUTHORIZED NEGOTIATED AGREEMENT FOR ONLY 200,000 MT WHEAT, BUT THAT AFTER CONCLUSION THIS AGREEMENT IN LIGHT REVIESED FOODGRAIN FORECAST, WE COULD CONSIDER POSSIBLE AMENDMENTS TO FY 77 AGREEMENT TO PROVIDE INCREASED QUANTITIES OF WHEAT OR ADDITION OF RICE.

15. COMMENT: WE HAVE AGREEMENT ON EVERYTHING EXCEPT THE HEART OF THE SELF-HELP MEASURES SECTION WHERE, IN LINE WITH THE AMENDED PL-480 LEGISLATION, WE HAVE SOUGHT TO RELATE OUR FOOD AID PROGRAM TO BDG POLICY MEASURES LOOKING

TO REDUCED DEPENDENCE OVER TIME ON SUCH FOOD AID. THE BDG HAS YET TO ACCEPT THE IMPORTANCE OR NEED FOR SUCH A RELATIONSHIP. WE PROPOSE OFFER OUR RECOMMENDATIONS CONCERNING THIS ISSUE IN A SEPARATE MESSAGE.

16. ACTION REQUESTED. BDG HAS EXPRESSED HOPE THAT FINAL AGREEMENT CAN BE REACHED AT MEETING ON MARCH 22 AND AGREEMENT ACTUALLY SIGNED ON MARCH 25. PLEASE CABLE ANY COMMENTS ON ABOVE POINTS OR LANGUAGE PROPOSED FOR AGREED MINUTES (REFTEL D) BY OPENING OF BUSINESS, MARCH 22.
MASTERS

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: Z
Capture Date: 30-Aug-1999 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Mar-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977DACCA01441
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
Film Number: n/a
Format: TEL
From: DACCA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197703110/baaabayn.tel
Line Count: 123
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE
Message ID: 2f9601b0-c288-dd11-92da-001cc4696bcc
Office: ACTION AID
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2961321
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: n/a
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/2f9601b0-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009